

Written Confirmation

To: Fair Trade Commission

Cc: Deputy Director Do-Young Kang

By: Vice President Bong-Hoon Kim / Samyang Foods Co., Ltd.

Subject: Explanation regarding the copy of the email dated March 18, 2010 attached to the written confirmation of former Deputy Senior Manager Kyung-Joo Kim

I hope the best for everyone at Fair Trade Commission.

In response to your request to provide an explanation regarding the copy of the email attached to the written confirmation of former Deputy Senior Manager Kyung-Joo Kim dated March 18, 2010 (hereinafter referred to as the “email in this case”), I prepared this written confirmation to submit to your commission.

The employees of Samyang Foods Co., Ltd. (hereinafter referred to as the “Company”), including me, promise to continue to cooperate actively with the Fair Trade Commission’s investigation on unfair collusive actions of ramen companies.

- Below -

- I, Bong-Hoon Kim, started at the Company in December of 1987. Except for the period from January of 2007 to February of 2009 during which I worked at a factory as a plant manager of Samyang Nongsusan Co. Ltd., which is a subsidiary company, I have always been stationed at the Company’s Sales department. In August of 2005, I was promoted to the Company’s Executive Director. Since February of 2009, I have worked as the Head of the Sales Division HQ.

- Right after requesting the Fair Trade Commission for leniency, the Company contacted former Deputy Senior Manager Kyung-Joo Kim, who used to be in charge of market research until around 2005, to ask him about his activities during that period. In response, former Deputy Senior Manager Kyung-Joo Kim replied by email. During the period in which former Deputy Senior Manager Kyung-Joo Kim was in charge of market research, I was the Team Leader of the Marketing Team, and former Deputy Senior Manager Kim reported to me to provide me with the information he had obtained.
- As far as I know, the name “Mr. Beetle” is the Email ID that former Deputy Senior Manager Kyung-Joo Kim used. As indicated on the top portion of the email in this case, former Deputy Senior Manager Kyung-Joo Kim used his “empal” email account to send an email to me on January 31, 2010. The email account of the recipient, “army913@hanmail.net”, is my personal email account.
- The items described in the email in this case are a summary of the work that former Deputy Senior Manager Kim used to carry out in the past. The summary is not one of the Company’s official work manuals. However, not only former Deputy Senior Manager Kyung-Joo Kim, but also Manager Jong-Moon Yui, who submitted a detailed statement to the Fair Trade Commission previously, used to carry out market research within such a framework. Although, the tasks that those in charge of market research must carry out are already determined by the Company, that does not mean that how these tasks are to be carried out (e.g., whether information must be collected by visiting places in person, whether information must be exchanged by fax, etc.) is written out in detail. For your information, I provided the following table that summarizes the tasks to be carried out by those in charge of market research during the period between 2001 and 2006.

Broad classification	Detailed classification	Task
Market research	Research on retail stores	Check how our company's products are displayed in such places as department stores, super markets, and retail stores, and investigate customers' reactions (once or twice a week)
		Investigate customer reactions by asking store owners (once or twice a week)
	Research on consumers	Check customers' responses regarding new products and strategic products (irregular)
	Analysis on data collected	Analyzed the data collected, analyze Nielsen's research data, and draw conclusions (as needed)
Competitor Meeting	Research on ramen industry trends	Exchange information regarding new products (one month prior to product release)
		Share information regarding sales (once a month)
		Share information related to events and customer policies (one week prior to implementation)
		Share price information (1 week before change)
		Share information related to organizational changes (right after reorganization)
	Research on food industry trends	Regular meetings of food companies (CJ, Shindongbang, Lotte, Orion, Vilac, Sajo, etc. / once every two months)
Data and information collection	Research on food industry data	Collect information by searching for articles (as needed)
	Information collection	Collect newspaper articles and relevant materials (as needed)
New business proposals and exploring market ideas	Research and planning related to new businesses	
	Exploring new ideas	

- However, in the case of research on ramen industry trends, the tasks were not always carried out in accordance with the schedule set forth in the above table; rather, the performance and the results of those tasks varied depending on the circumstances or cooperation, or lack thereof, of the relevant employees at the competitor companies.



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- On the other hand, to carry out research on ramen industry trends, former Deputy Senior Manager Kyung-Joo Kim preferred to collect information by phone or in person whereas Manager Jong-Moon Yui preferred to collect information by email, as far as I know. Such differences in how work was carried out were due to the changes in the social environment as a result of the development of computer communications technologies after 2000 rather than due to any changes in the company's policies.
- Regarding other types of information that those in charge of market research collect and regarding the process in which prices are raised, please refer to the statements that Manager Jong-Moon Yui and Manager Young-Shik Kwon already submitted to the Fair Trade Commission. The information contained in the statements submitted by Manager Yui and Manager Kwon could be applied equally to the period during which former Deputy Senior Manager Kyung-Joo Kim worked for the Company.



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